NSC BRIEFING

14 January 1959

SOVIET PRESSURES ON IRAN

I. For several months Moscow has been exerting extensive pressure on Iran to limit scope, if not actually block conclusion, of pending Iranian-US defense agreement. While Iranian Govt has not been intimidated, Iran is vulnerable to Soviet exploitation of existing economic pressures and popular dissatisfaction with the regime.

    A. Latest Soviet note, delivered 23 December, proposed mutual talks on outstanding issues, but contained menacing undertones.

        1. On 31 December Soviet ambassador suggested conference of unspecified larger powers to negotiate international guarantee of Iranian neutrality, apparently expecting that rejection of Soviet proposals would place Moscow in a stronger position to step up its pressure.

        2. Soviet answer to New Year greetings from Shah stated that Tehran must act to improve the poor state of Soviet-Iranian relations.

    B. Iranian Govt has reacted by requesting US that defense agreement be concluded as soon as possible, preferably in Washington before Baghdad Pact Ministerial Council meeting in Karachi (26-28 January), or at least at meeting itself.

    C. In his conversations with US officials, moreover, Shah cites Soviet pressure to bolster his argument that Iran needs additional military aid.

II. Iran becoming increasingly concerned over growing influence of Communism in Iraq. It views this development as subversive threat to Iran.

A. Iraq has become a new base for Tudeh activities, with known Tudeh leaders in Baghdad.

B. Shah recognizes potential threat of Iraqi-Soviet inspired subversion among Kurdish and Arab tribes in Iran.

C. London officials are worried over the possibility that USSR may exploit Iranian political and economic instability to promote fragmentation of Iran and development of "land bridge" connecting USSR with Iraq.